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REPORT OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE UNCTAD/WTO AT ITS THIRTY-FIRST SESSION

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Agenda item 1: ELECTION OF THE BUREAU

1. The Joint Advisory Group on the International Trade Centre UNCTAD/WTO held its thirty-first session from 27 April to 1 May 1998. Representatives of 80 countries, members of the Group, were present at the meeting. His Excellency Mr Nacer Benjelloun-Touimi (Morocco), Chairman of the thirtieth session, called the meeting to order.

2. The Group re-elected His Excellency Mr Benjelloun-Touimi Chairman of the thirty-first session. In his opening remarks, the Chairman thanked the Group for its support and expressions of confidence.

3. The Chairman then called for nominations for Vice-Chairpersons and Rapporteur. The Group elected Mr B. Kaufmann (Switzerland) and Mr A. Rogers (Chile) as Vice-Chairpersons. Ms Y. Marcus (Nigeria) was elected Rapporteur.

4. The following documents were before the Group:

ITC/AG(XXXI)/L/104	Provisional agenda
ITC/AG(XXXI)167	Annual report on the activities of the International Trade Centre UNCTAD/WTO, 1997
Add.1	Statistical Appendix
Attachment 3	Summary of technical cooperation projects operational in 1997
ITC/AG(XXXI)165	Report of the evaluation of the ITC subprogramme: Product and Market Research, Development and Promotion
ITC/AG(XXXI)168	ITC strategy for product and market development
ITC/AG(XXXI)166	Report of the ITC Technical Meeting 1998
ITC/AG(XXXI)169	ITC Global Trust Fund: report of the Consultative Committee to the thirty-first session of the Joint Advisory Group

Agenda item 2: ADOPTION OF THE AGENDA

5. The agenda as adopted by the Group was as follows:

56. Election of the Bureau
56. Adoption of the agenda
3. Statement by the Executive Director of ITC
4. Review of technical cooperation activities in 1997
5. Report of the evaluation of the ITC subprogramme: Product and Market Research, Development and Promotion; ITC strategy for product and market development; Report of the ITC Technical Meeting 1998
6. ITC Global Trust Fund: report of the Consultative Committee to the thirty-first session of the Joint Advisory Group
7 Other business
8. Adoption of the report of the meeting

6. The list of participants is given in the addendum to this report.

WTO statement

7. The Deputy Director-General on behalf of WTO referred to the new realities to which ITC, like its parent organizations, had been obliged to adapt since its creation 34 years ago. In order to remain a central point for technical assistance in trade promotion to developing countries, ITC had adapted vigorously to new challenges during the last few years, through the forceful dedication of the Executive Director and with the support of ITC staff. Since his arrival in 1994 the Executive Director had initiated a reform process which had given ITC a new culture of dynamism, professionalism, innovation and acceptance of responsible challenges. The period of ITC reform coincided with the conclusion of the Uruguay Round, the creation of WTO and the need to disseminate information on the implications of the multilateral trade agreements for the business community in developing countries and economies in transition. The *Business Guide* seminars and technical workshops organized by ITC, to which the WTO had given its full support, had been valuable.

8. WTO particularly appreciated the manner in which ITC had responded to the need for additional efforts by both beneficiaries and donors to enhance the provision of integrated technical assistance to LDCs and African countries. First, ITC helped establish in 1996 the WTO/UNCTAD/ITC Joint Integrated Technical Assistance Programme in Selected Least-Developed and Other African Countries. ITC had made remarkable efforts to set up the Programme's Common Trust Fund on 1 March 1998 and WTO was pleased to note that nine donor countries had already supported the initiative. Secondly, ITC cooperated with IMF, UNCTAD, UNDP, the World Bank and WTO, in the High-Level Meeting on Integrated Initiatives for LDCs' Trade Development and the ensuing Integrated Framework for Trade-related Technical Assistance to LDCs.

9. Further to the HLM, ITC had accepted the special responsibility of housing and ensuring the day-to-day management of an administrative unit to assist the six agencies in the post-HLM follow-up. This unit, together with the section created within ITC to deal specifically with LDCs, would greatly contribute to, and was critical for, the success of the HLM's Integrated Framework. ITC's readiness to assume this responsibility would facilitate the six organizations' resolve to address effectively the LDCs' needs for trade-related technical assistance.

10. The representative of the Director-General mentioned other valuable ITC initiatives such as its new strategy for product and market development. WTO attached considerable importance to ITC's use of new technologies, an indispensable tool for the dissemination of information to the business community in recipient countries. Finally, he emphasized the enhanced cooperation amongst WTO, UNCTAD and ITC during the last few years, highly valued by WTO and based on a clear focus on the distinct but shared objectives and duties to developing countries and economies in transition.

UNCTAD statement

11. The Deputy Secretary-General of UNCTAD reaffirmed UNCTAD's full support for the work of ITC. The documentation provided to the meeting indicated the quality and innovative character of the work achieved and he noted that the level of ITC's delivery of technical assistance had increased in dollar terms in 1997. He commended ITC's Executive Director for the manner in which he had led the reform process.

12. UNCTAD and ITC had seen a continued and growing cooperation during the previous year and more joint activities were planned. Specific ongoing areas of cooperation included the WTO/UNCTAD/ITC Joint Integrated Technical Assistance Programme in Selected Least-Developed and other African Countries where the Executive Director's persuasive skills had contributed to the creation of a Common Trust Fund, joint activities to assist small and medium-sized enterprises, and multi-organization technical assistance in human resource development.

13. Referring to the Integrated Framework for Trade-Related Technical Assistance to Least-Developed Countries, the Deputy Secretary-General said that of the six main agencies concerned, ITC and UNCTAD were the two organizations with the most similar approaches and modi operandi for technical cooperation, and UNCTAD was eager to support ITC in its functions of facilitating day-to-day inter-agency coordination.

14. UNCTAD had also invited ITC to play a prominent role in the forthcoming "Partners for Development" meeting to be held in Lyon in November 1998, during which ITC would feature its ongoing research work and projects in collaboration with centres of excellence in the private sector and academia in bringing out state-of-the-art diagnostic tools and learning systems for developing country enterprises. In concluding, the Deputy Secretary-General noted that UNCTAD and ITC were resolutely moving towards a relationship in which UNCTAD was not solely a parent organization of ITC but also a partner.

Agenda item 3: STATEMENT BY THE EXECUTIVE DIRECTOR

15. In his opening statement, the Executive Director announced that ITC had virtually completed the refocusing exercise it had begun in 1994. In describing where the reform had taken ITC, he addressed three themes. As regards **people**, he recalled the recent appointment of Mr J. Smadja, a Tunisian national and long-serving ITC staff member, to the post of Deputy Executive Director. The thirteen new professionals who had recently joined the staff, with their diverse backgrounds, brought their experience, competence and enthusiasm to ITC. On the recently introduced Performance Appraisal System, the Executive Director said that it was based on individual goals linked to the Annual Operations Plan and the Medium-Term Plan. It was both a performance management tool to ensure the best collective performance possible and an instrument for reducing the risks of subjective and arbitrary appraisal.

16. Turning to **substantive matters**, the Executive Director highlighted ITC initiatives to strengthen its capacity to address the trade-related needs of LDCs. He announced that ITC had been asked to help carry forward the follow-up to the High-Level Meeting on LDCs by taking on the responsibility for an administrative unit established to facilitate the day-to-day coordination among the agencies making up an Inter-Agency Working Group: IMF, ITC, UNCTAD, UNDP, World Bank and WTO. The involvement of the LDCs themselves in the related activities was the key to ensuring a demand-driven approach, country-owned programmes and successful fund-raising.

17. For the LDCs involved, the WTO/UNCTAD/ITC Joint Integrated Technical Assistance Programme in Selected Least-Developed and Other African Countries was the first major step towards implementing the principles of the Integrated Framework adopted at the HLM. ITC had been instrumental in the elaboration of this initiative and its efforts had led to the creation on 1 March 1998 of a Common Trust Fund, for which pledges to date, from nine countries, had reached US$ 5.3 million.

18. To meet the challenges posed by these developments, ITC was developing, refining and applying at the country level generic technical assistance tools. It was heartened by the response to such tools as the *Trade Secrets* series, the *International Competitiveness Gauge*, *How To Approach Banks*, the *Global Competitiveness Curriculum*, the *Trade Tutor Team-Building Programme*, the tools supporting capacity building in international purchasing and supply management and *TradeMap* for priority setting in trade promotion. ITC believed that the development of tools of practical use to entrepreneurs and trade-support service organizations, and designed for adaptation to country circumstances, was the best possible way of achieving national capacity building and optimizing the return on its limited resources. He invited the participants to come to the informal session on 29 April and the open house on 30 April to discover what some of these tools were about. Referring to its traditional publications programme, the Executive Director noted the continuing high demand for the *Business Guide to the Uruguay Round* and the guides to the ISO 9000 quality management systems. These tools and publications were examples of the output of ITC's regular programme of work.

19. ITC's considerable applied research and development activities to improve its response to demand from partner countries would not have been possible without the Global Trust Fund. The Executive Director said that his recent presentation on the Fund to regional groups allowed him to witness the belief of beneficiary countries in the usefulness of the Fund.

20. Turning to the new strategy for product and market development, which had the full support of the technical meeting convened in March 1998, the Executive Director pointed out that the strategy balanced continuity and change in a manner which should put ITC on the track towards making it the principal centre for expertise on product and market development in its partner countries. ITC would maintain its expertise in specific product groups, which set it apart from most other organizations. At the same time it would move towards becoming a full-service organization by making full use of its knowledge of major markets and expertise in international marketing for all broad product sectors of interest to its partner countries.

21. ITC collaborated increasingly with other organizations. The implementation of the Integrated Framework for LDCs provided opportunities for strengthened partnership with UNDP, the Bretton Woods institutions, and with partners such as UNIDO and FAO. Other intergovernmental organizations had informed ITC of their interest in working within the Framework, and bilateral agencies would also be associated in activities.

22. The integration of the business sector perspective into all activities was to be enhanced by collaboration with the International Organization of Employers and the World Economic Forum. Partnerships were being developed in specialized areas notably with regional development banks.

23. On **organizational developments**, the Executive Director announced the creation of the Office for LDCs. While ITC had almost completed its refocusing exercise, the implementation of the new budgeting cycle in Swiss francs was taking an inordinate amount of time at the senior management level. A rapid settlement of this issue was needed. Of the 14 recommendations made by the Office for Internal Oversight Services in its report of June 1997, nine had been implemented.

24. In concluding, the Executive Director said that ITC had done its best to provide its stakeholders with comprehensive information on its programme of work and ensure transparency. He thanked the staff for their efforts and their new cohesiveness.

General debate

25. Opening the general debate, the Chairman referred to the informal consultations he had convened in April 1998 on an appropriate supervisory mechanism for ITC and the implementation of the recommendations of the Office for Internal Oversight Services. Concerning the supervisory mechanism, he indicated that a consensus was reached for the review to take place after the thirty-first session of JAG, giving due regard to the outcome of the ongoing review of the technical cooperation programmes of ITC's parent organizations and to the functioning of the existing supervisory bodies. The conclusions of the informal consultations would be reported to the JAG at its next session. The Chairman also referred to the Integrated Framework for Trade-Related Technical Assistance resulting from the HLM for which approval by the governing bodies of the participating organizations had been sought. He indicated that since the UNCTAD Trade and Development Board had endorsed the Integrated Framework at its February 1998 session, the participation of ITC, as a joint subsidiary organ of the United Nations and WTO, was ensured *ipso facto*.

26. The Group unanimously expressed its appreciation to the Executive Director and the secretariat for ITC's progress in defining and implementing a new strategic orientation, in pursuing its management reform, in intensifying cooperation with other organizations, and in reporting clearly and comprehensively on its activities. It commended ITC for having become a more streamlined, efficient and forward-looking agency. ITC's contribution to the HLM, its designation as manager of an administrative unit facilitating the work of the Inter-Agency Working Group, its prominent part in implementing the

WTO/UNCTAD/ITC Joint Integrated Technical Assistance Programme for Selected Least-Developed and Other African Countries and in administering the related Common Trust Fund, were cited as examples of the recognition given to it of its capacity to deliver and coordinate relevant, timely and integrated technical assistance. In short, the Group emphasized that ITC had moved forward substantially to meet the challenges ahead.

27. The Group strongly affirmed the relevance of ITC's mandate to its partner countries against the backdrop of today's economic environment. These countries needed to be integrated fully into the multilateral trading system, and to benefit from the opportunities arising from globalization while acquiring the capacity to deal with the challenges it posed. In the rapidly changing trade environment, ITC was to continue to define its niche on the basis of its comparative advantages, while providing the best possible response to the specific needs and requests of its client countries.

28. The spokesman of the Asian Group and China, pointed out that ITC should have given greater attention to the impact of the Asian financial crisis on the export capacities of the affected economies as well as its disruptive effects on the global economy. There was a growing need for export capacity analysis, needs assessment and programme formulation, as well as strategic advice on trade promotion. He stressed the importance of continued dialogue with developing countries to ensure demand-driven cooperation. He acknowledged that ITC's acquired strength was recognized by both recipient and donor countries and called for increased funding so that ITC could realize its full potential for making a valuable contribution. Finally, he stated that proficiency in the French language should not be a prerequisite for post applications, particularly for technical cooperation field programmes in Asia.

29. A number of representatives voiced their concern about the comparative shares of interregional and national projects in ITC's technical cooperation expenditures, while others appreciated the cost-effectiveness of interregional programmes. It was suggested that ITC's programme should be spread more evenly across regions. In response, the secretariat advised the Group that all country projects had to be financed from extrabudgetary resources and that the destination of these funds was beyond ITC's control. With regard to UNDP funding, although the contribution of trade to UNDP's primary objective of sustainable human development was being increasingly recognized, resources were diminishing globally and the setting of priorities remained a prerogative of the programme countries themselves.

30. The Group expressed deep concern over the steady decline of resources for technical cooperation, even though a slight increase was noted in the last year. It was stressed, however, that this negative trend did not reflect the level of donor interest in ITC's work. The representative of a major contributor to the Global Trust Fund appealed to the donor community to enhance the efficacy of this new funding instrument by contributing to either of its two Windows.

31. The Group expressed its approval of the steps taken by ITC to devote more attention to LDCs, welcoming the creation of an Office for LDCs and Africa in the Division of Technical Cooperation Coordination (DTCC). It said ITC had a specific role to play in translating the conclusions of the HLM and the Integrated Framework into concrete actions. In response to queries on the allocation of resources to the Office for LDCs and the administrative unit, as well as on the relationship between the two entities, the secretariat indicated that the Office for LDCs would be staffed through redeployment within DTCC. ITC would manage, and set aside one professional post for, the administrative unit and hoped that additional staff would be provided by other members of the Inter-Agency Working Group, ITC's parent bodies in particular. The LDC administrative unit was to operate under the overall guidance of the Inter-Agency Working Group. Synergies between the unit and the Office for LDCs would be ensured by the Director of DTCC.

32. Some representatives complimented ITC for devoting 37 % of its technical cooperation expenditure to LDCs in 1997. However, given the fact that LDCs were ITC's prime target group, the representatives strongly recommended that every effort should be made to increase the support these countries received from ITC. Other representatives, however, felt that non-LDCs also eligible for ITC assistance should receive adequate response to their legitimate requests for support.

33. Some representatives encouraged the search for synergies in the field. ITC, the World Bank and UNCTAD, for instance, could exert greater efforts to pool resources and expertise in needs assessment and programme formulation. The recent Memorandum of Understanding between the Government of the Philippines and ITC would add a regional dimension to the ITC outreach programme, help mobilize resources, and enhance technical cooperation among developing countries for the particular benefit of LDCs in the region. A suggestion was also made to optimize the use of experts from partner countries who had benefited from ITC programmes.

34. Several representatives praised ITC for its efforts to further refine its core service strategies after the endorsement of ITC's priorities at the 1995 JAG session, as illustrated recently in the areas of human resource development and product and market development. It was suggested that ITC should extend its strategic review to trade information; such a review should be based on an analysis of results achieved and future needs. The secretariat informed the Group that an independent evaluation of the trade information subprogramme element would be undertaken in 1998 concomitantly with the evaluation of the GTF-financed business information programme. The evaluation findings and a proposal for a new strategy would be submitted to the next JAG session. One representative suggested that ITC should regularly assess the relevance of its core services in the light of the follow-up process of the High-Level Meeting, and recommended that in-depth reviews of individual core services should continue to be made at JAG sessions.

35. The Group fully supported the introduction of new management tools such as the Medium-Term Plan, the Annual Operations Plan and the Performance Appraisal System for the staff, which were all evidence of a serious effort to improve planning and performance, ensure transparency and increase confidence in the organization. ITC's effort to rejuvenate itself by acquiring fresh expertise was strongly encouraged. Some representatives welcomed the progress made in ensuring synergies among substantive divisions and recommended further improvements, particularly between the Division of Technical Cooperation Coordination and the two operational divisions. In response to queries on the implementation of the Corporate Management Information System, the secretariat said that the first two modules, designed to monitor the Annual Operations Plan and project development processes, would be operational in 1999. The design of the overall system architecture would be finalized in the summer of 1998.

36. The Group commended the secretariat for its well-advanced response to the recommendations of the Office for Internal Oversight Services which, it noted, were consistent with the refocusing agenda previously endorsed by JAG. It acknowledged the fact that the follow-up to some of the recommendations, including the closer integration of the technical cooperation programmes of ITC, UNCTAD and WTO, was a continuing process, and expressed the wish to be kept informed of further developments.

37. The spokesman of the Asian Group and China, while referring to paragraph 63 of the OIOS report, reiterated the proposal that since JAG met only once a year it should consider ways and means of improving the supervision of ITC. However, taking account of the views expressed at the Chairman's recent informal consultations, he suggested that, as an interim measure, informal sessions with the ITC secretariat should be convened periodically. This would not require documentation nor incur expenditures. Several representatives expressed their appreciation for the openness and willingness of the secretariat to meet representatives of partner countries in between JAG sessions to discuss subjects of common interest.

Agenda item 4: REVIEW OF TECHNICAL COOPERATION ACTIVITIES IN 1997

38. The Group felt encouraged by the considerable work undertaken by ITC over the past year, as reflected in the *Annual Report*. It commended ITC for the well-written document which provided a transparent account of the activities of the organization. The improved Statistical Appendix was found to be highly informative and a good basis for discussing trends. In particular, some representatives expressed their appreciation for the effort ITC had made to report on programme delivery costs by applying the most

rigorous approach of any comparable organization. They were satisfied that this reporting would provide a further management tool to reduce the proportion of administrative support costs in favour of increased funding for substantive programmes. In response to a query on the relationship between the figures on subprogrammes and core service priorities, the secretariat explained that ITC was still implementing subprogrammes; the six core services reflected ITC's areas of specialization which cut across subprogrammes and organizational units, and could not be easily quantified.

39. Some representatives noted with concern that the Annual Report could have benefited from more information of an evaluative nature on the results of activities undertaken and how the experiences thus gained could be linked to activities planned for the future. They stressed the importance of a monitoring and evaluation system that would make it possible to measure the quantitative and qualitative impact of ITC's work, recognizing however that other documents put before the Group provided such information on specific areas. In response, the secretariat pointed to the need for short reports, although it would increase efforts to provide the JAG with more information on the feedback from beneficiaries. The secretariat also reminded the Group that ITC's vision for the future, elaborated on the basis of past experience, was presented in the Medium-Term Plan.

40. Several representatives praised the WTO/UNCTAD/ITC cooperation in the design of the Joint Integrated Technical Assistance Programme in Selected Least-Developed and Other African Countries. Some donors reaffirmed their support and willingness to increase their contribution as the programme moved along. The secretariat pointed out that the programme was based on country-by-country needs assessments; these called for a common set of activities which could be applied to other countries within and outside the region.

41. The Group was supportive of the "product-network approach", which provided a cost-effective response to needs on the one hand and to limited ITC resources on the other. It noted with appreciation that through this approach ITC targeted institutions and professional associations as multipliers for the delivery of assistance to entrepreneurs, with emphasis on the needs of SMEs. It provided a good mix of methodology and practical applications for capacity building. There was a need to continue to spread the benefits of the tools and to intensify the capacity-building effort. Several representatives welcomed the cost-sharing arrangements being made for the customization of the tools, provided that they did not marginalize LDCs in the process. The secretariat assured the Group that the customization efforts were being carefully monitored so that feedback from the users would be built into the process of refining the generic "products". Further information on the field response to the "product-network approach" would be provided at the next JAG session.

42. Several representatives encouraged ITC to continue disseminating the *Business Guide to the Uruguay Round*, which would soon be updated in cooperation with the Commonwealth Secretariat. Cooperation with this organization was being extended to the publication of a new *Business Guide to the General Agreement on Trade in Services*.

43. Many representatives referred to the pivotal importance of South-South trade, and suggested that the experiences gained in the promotion of intra-African trade should also be applied in and among other developing regions, as a means for the enhancement of regional cooperation.

44. Several representatives referred to the importance of trade-related human resource development and encouraged ITC to pursue its national capacity-building activities in this area. The training of trainers and the development of tools to support local training capacities were mentioned as being particularly important.

45. Some representatives welcomed ITC's support for the United Nations goal of poverty alleviation and encouraged ITC to consider this goal when formulating its programmes. The planned development of an ITC corporate approach to addressing poverty through trade-led activities was mentioned as a good

example in this respect. They also expressed their appreciation for ITC activities promoting gender equality and the advancement of women.

Agenda item 5: REPORT OF THE EVALUATION OF THE ITC SUBPROGRAMME: PRODUCT AND MARKET RESEARCH, DEVELOPMENT AND PROMOTION; ITC STRATEGY FOR PRODUCT AND MARKET DEVELOPMENT; AND REPORT OF THE ITC TECHNICAL MEETING 1998

46. The Vice-Chairperson and Rapporteur of the Technical Meeting 1998 informed the Group of the discussions that took place during that meeting and of the support given to the new ITC PMD strategy.

47. A number of representatives expressed their appreciation for the quality of the evaluation report and the PMD strategy paper. They stressed the importance of the subprogramme to developing countries and said that the strategy filled the need for a redefined focus and improved technical assistance delivery modes to enable ITC to give a better response to the requirements of these countries.

48. Several representatives expressed concern about the findings of the evaluators on the share of LDCs in PMD activities and strongly recommended a sharper focus on LDCs in the future. The secretariat pointed out that LDCs were always priority target countries for all ITC programmes. Unfortunately, the allocation of funds to specific country programmes was outside its control as it depended either on donor preferences or on allocations of funds from multilateral institutions by the countries themselves.

49. Some representatives had divergent views on the relative importance to be given to the horizontal and vertical approaches of the strategy. One representative expressed reservations about the need for the horizontal approach and pointed out the danger that it might affect ITC's proven record on vertical, product-oriented technical cooperation. The secretariat reiterated that the two approaches were complementary and not mutually exclusive, and that the horizontal approach helped to improve the positioning of vertical activities such as those promoting South-South trade. Furthermore, the emphasis on either approach would ultimately depend on demand from partner countries.

50. Some representatives acknowledged ITC's initiatives to promote the export of services and suggested that increased attention should be given to the sector since trade in services was growing faster than trade in goods. The secretariat said that a sectoral strategy on services had already been elaborated in 1997 and some initial activities were currently under way, notably the production of workbooks and other generic tools. What was needed at present was funding for full implementation of the strategy at the country level. Addressing the concern of one representative about the need to cooperate and work jointly with UNCTAD in this area, the secretariat indicated that the two organizations were fully aware of each other's activities in the services sector and that ITC staff regularly attended related UNCTAD meetings.

51. While endorsing the new strategy, some representatives inquired about the resources needed for its implementation and appealed to the donor community to allocate funds for that purpose. A suggestion was also made that ITC should make increased use of external consultants in order to supplement its product expertise at headquarters. The secretariat pointed out that the new strategy provided the conceptual framework for PMD work and that the initial assessment of collective needs in various product sectors would be carried out with ITC's regular resources. While actual implementation would depend on funds made available, the strategy itself prepared ITC to deliver its programme in the most effective way. It also added that the strategy clearly relied on the regular use of external principal consultants to supplement ITC's institutional competence.

52. A representative underlined the importance of intermediary organizations for PMD work and urged ITC to regard these organizations as its privileged partners. He praised ITC's intention to work with product associations and expressed doubts about the relevance of ITC's enterprise-oriented approach. He

also stressed the need for a better monitoring and feedback system for many PMD activities. The secretariat stressed that the new "product-network" approach, which concentrated on the production of generic tools, was based on cooperation with intermediaries such as product associations. While there were diverging views on the efficacy of the enterprise-oriented approach, ITC regularly received requests from partner countries for this type of assistance. In responding to these requests, its intention was to combine tailor-made enterprise assistance with the use of generic tools developed with intermediary bodies in order to achieve the best possible results.

Agenda item 6: GLOBAL TRUST FUND – REPORT OF THE CONSULTATIVE COMMITTEE TO THE THIRTY-FIRST SESSION OF THE JOINT ADVISORY GROUP

53. The Group expressed its appreciation for the contribution that the Global Trust Fund and its Consultative Committee had made to ITC's work programme. The Fund had provided ITC with a more stable funding base, however, some representatives voiced their concern that the creation of the Common Trust Fund for the Integrated Programme for African countries could compete for the same financial resources in donor countries. It was also noted that the Fund allowed for more flexibility in the management of ITC and enabled the organization to develop technical assistance programmes which would assist a maximum number of beneficiaries. The Fund had also enabled ITC to put in place its new strategies, particularly through the development of generic technical assistance "products". The Consultative Committee provided an opportunity to both donor and beneficiary countries to exchange views on ITC's operations.

54. Several representatives thanked the secretariat for the evaluation of the Window II programme "Uruguay Round follow-up: Information dissemination, needs identification and capacity building," which had recently been completed. They expressed their preference to study this evaluation as well as those to be undertaken on the other two Window II programmes prior to any selection of new or extended Window II programme proposals. The Group agreed on the necessity for obtaining the views of beneficiary countries on the new programme proposals, as regards both their technical content and the extent to which the proposals responded to their priorities. In this context it was noted that activities funded by the Global Trust Fund should also directly address the needs of individual countries. Specific interest was expressed in the programme proposals for South-South trade cooperation; capacity building to increase services exports from ITC's partner countries; and market entry facilitation for technology exporters from these countries.

Agenda item 7: ANNOUNCEMENT OF TRUST FUND CONTRIBUTIONS TO ITC

55. At the invitation of the Chairman, the following trust fund contributions to ITC were announced.

- The representative of **Belgium** announced the finalization of a decision by the Belgian Government to contribute to the Common Trust Fund of the WTO/UNCTAD/ITC Joint Integrated Technical Assistance Programme in Selected Least-Developed and Other African Countries the amount of approximately US$ 100,000 in 1998.
- The representative of **Canada** confirmed that his Government's 1998 contribution to Window I of the Global Trust Fund would amount to 950,000 Canadian dollars (approximately US$ 655,000).
- The representative of **China** announced that his Government would contribute US$ 50,000 to ITC in 1998.
- The representative of **Denmark** indicated that her Government's 1998 contribution to GTF Window I would be US$ 500,000. Additional financial support would be provided for several projects following consultations with the secretariat. She said that it was a priority

for Denmark that ITC should assist LDCs, particularly in Africa, and work in close coordination with UNCTAD, WTO and the Bretton Woods institutions. It would therefore soon announce a significant contribution to the Common Trust Fund.

- The representative of **Finland** said that it was his Government's development policy to support least developed countries in their efforts to integrate into the world economy. His Government was therefore keenly interested in the Joint Integrated Technical Assistance Programme. He announced that Finland would contribute 3 million Finnish marks (around US$ 600,000) in 1998. Of this, 1 million Finnish marks would go to Window I of the Global Trust Fund and 2 million Finnish marks to the projects in Burkina Faso and the United Republic of Tanzania through Window II of the Common Trust Fund.

- The representative of **France** informed the Group that his Government's contribution to ITC for two programmes in 1998 would be 2.5 million French francs (approximately US$ 408,000). He stated that the 1998 contribution was 50 per cent higher compared to that of 1997. This contribution was made as it had been noted that beneficiary countries were satisfied with ITC's programme and as a demonstration of the confidence of the French authorities in ITC and its management team.

- The representative of **Germany** expressed his Government's intention to continue cooperating closely with ITC and to uphold its commitments. While it was unable to make a specific pledge at this time, his Government would announce a considerable financial contribution in the next two months.

- The representative of **Italy** confirmed his Government's intention to contribute US$ 200,000 for an ongoing project in 1998. He also announced that Italy would provide US$ 400,000 for the Lobito and Beira Corridors feasibility studies. In addition, Italy planned to earmark around US$ 300,000 yearly for ITC for the Mediterraneo 2000 programme currently being finalized for joint implementation by ITC, UNCTAD and ISO and which had a three-year budget of US$ 5 million.

- The representative of the Netherlands announced that his Government's contribution to ITC in 1998 would be maintained at 3 million Netherlands guilders (approximately US$ 1,442,000). An additional contribution of 1 million Netherlands guilders (approximately US$ 500,000) was pledged for the Common Trust Fund in 1998.

- The representative of **Norway** informed the Group of his Government's contribution of 2 million Norwegian kroner (approximately US$ 275,000) to the Common Trust Fund for the project in Uganda.

- The representative of **Sweden** informed the Group of his Government's intention to contribute 5 million Swedish kronor (approximately US$ 645,000) in 1998, to be allocated between the Global Trust Fund Windows I and II following consultations with the secretariat. He noted the increased willingness of other donors to contribute to Window I and expressed the hope that this trend would continue.

- The representative of **Switzerland** announced that her Government's contribution to the Global Trust Fund would be close to 1.3 million United States dollars, of which $300,000 would go to Window I, $300,000 to the first programme of Window II, $288,000 to the second, and $ 400,000 to the third. This contribution would provide the balance of the funds required for the full implementation of the second programme of Window II in 1998 and the bulk of the funds needed for the first and third programmes. It would also be over and above any contribution Switzerland would make on a bilateral basis or to the Common Trust Fund. She further stated that the Swiss authorities would be in a position to announce contributions to the Global Trust Fund in addition to those already approved when they received the findings of the evaluations of two Window II programmes and the reactions of beneficiary countries to new proposals.

- The representative of the **United Kingdom** announced his Government's 1998 contribution to the Common Trust Fund of £350,000(approximately US$ 580,000). He stated that this contribution illustrated his Government's determination to ensure that the outcome of the High-Level Meeting was translated into positive and substantive action to benefit more LDCs. He further stated that the contribution showed his Government's great satisfaction with the reform process carried out under the auspices of the Executive Director.

56. On behalf of the Group, the Chairman expressed his gratitude for the announcement of these contributions.

Agenda item 8: OTHER BUSINESS

57. The Group unanimously expressed its appreciation to the secretariat for the excellent presentations given in the informal JAG session on "The Competitiveness Challenge for SMEs", which included an Internet Café on trade information for SMEs. Likewise, it congratulated the secretariat on the initiative taken to organize an "Open House" for JAG participants. This consisted of information sessions on "How competitive are your country's exports"; a demonstration of Internet trade applications and ITC's Staff Performance Appraisal System; and presentations on ITC-proposed programmes for funding under the Global Trust Fund, including the Uruguay Round follow-up, business information services, Trade Tutor Team-Building and Business Management System, South-South trade cooperation, increasing services exports, and business information for LDC firms.